GOVERNMENT OF INDIA
LABOUR
LOK SABHA

UNSTARRED QUESTION NO:5010
ANSWERED ON:27.08.2001
MINIMUM WAGES
RENU KUMARI SINGH

Will the Minister of LABOUR be pleased to state:

(a) whether minimum wages in certain scheduled employments in some of the States are either quite low or have not been revised for a long time;

(b) if so, the details and reasons therefor;

(c) whether the Government propose to amend Minimum Wages Act, 1948 to safeguard the interests of the workers; and

(d) if so, the details thereof?

Answer

MINISTER OF LABOUR (DR. SATYANARAYAN JATIYA)

(a) to (d): The minimum Wages Act, 1948 was enacted primarily to safeguard the interests of the workers in the unorganised sector. The provisions of the Act, bind the employers to pay the minimum wages fixed under the Act. Under the Act, both Central and State Governments are the appropriate Governments to fix and revise the minimum wages of the workers engaged in the scheduled employments under their respective jurisdictions. As regards revision, the Act stipulates that the minimum wages are to be revised at intervals not exceeding five years. The Central and the State Governments have been revisingthe minimum wages in their respective spheres periodically. In order to protect the wages against inflation, the Central Governmenthave introduced Variable Dearness Allowance (VDA) which is linked to Consumer Price Index (CPI).The VDA is revisedtwice a year effective April and October based on the increase in the CPI number. Twenty three States/Union Territories have also adopted VDA asa component of minimum wage. The fixation of minimum wages depends on various factors like socio-economic and agro-climatic conditions, cost of living productivity, paying capacity and local conditions influencing the wage rates which vary from State to State and region to region. Therefore, there is not uniformity in the minimum wages throughout the country. To bring parity, the Central Government floated the concept of national floor level wage. Initially it was fixed at Rs.35/- per day in 1996 based on the recommendation of the National Commission on Rural Labour in 1991 and subsequent increase in the price level. The national floor level wage was last raised to Rs.45/- per day with effect from November, 1999, keeping in view the increase in the price. All the State Governments have been requested to ensure that in none of the scheduled employments under their respective jurisdictions, the minimum wages are below the floor level wage.

Certain amendment proposals to the Minimum Wages Act, 1948 have been under consideration of the Government. However, in view of the steps and procedure involved, it is not possible to specify any time frame for finalisation of these amendments.